

STAND. COM. REP. NO. 1351-22

Honolulu, Hawaii

MAR 24 , 2022

RE: S.B. No. 2165
S.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 2165, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE LOW-INCOME HOUSEHOLD RENTERS TAX CREDIT,"

begs leave to report as follows:

The purpose of this measure is to amend the income tax credit for low-income household renters by:

- (1) Increasing the credit amount and the income eligibility cap thresholds for the tax credit; and
- (2) Adjusting the amount of the tax credit every three years based on the Urban Hawaii Consumer Price Index for all urban consumers.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii, Americans for Democratic Action Hawai'i, Hawaii Children's Action Network Speaks!, Parents And Children Together, Democratic Party of Hawai'i Education Caucus, Imua Alliance, Hawai'i Alliance for Progressive Action, and three individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii.

2022-2593 SB2165 SD1 HSCR HMSO



Your Committee finds that Hawaii is continually ranked among the highest in the nation for cost of living and these costs only continue to rise as affordable housing becomes increasingly scarce and prices for goods and services steadily increase. Although the existing income tax credit for low-income household renters is intended to target households with lower incomes, the \$50 credit amount was last adjusted in 1981 and the eligibility threshold was last adjusted in 1989. Since 1989, the cost of housing has increased by three hundred ninety percent, and therefore it is fitting to adjust the eligibility requirements and increase the amount of the tax credit to help low-income renters pay for the high costs of housing in the State.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2165, S.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Housing,


NADINE K. NAKAMURA, Chair



